

M E M O R A N D U M

#03-15

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: May 5, 2003

SUBJECT: FIXED ASSETS

Once again, we will be relying on the Fixed Asset Subsystem in DFMS to report the State 's fixed assets on the FY 2003 Basic Financial Statements. In order to maintain a clean audit opinion on the State 's financial statements and a strong bond rating, it is absolutely essential the information in the Fixed Asset Subsystem be correct.

A report is being issued in conjunction with this memo (F25F2705) showing only those items, which will be used as a basis for reporting fixed assets in the fiscal year 2003 CAFR. Please review this report carefully and make any necessary adjustments, both additions and deletions, prior to the close of the fiscal year. This includes updating any skeletons in the Fixed Asset Subsystem by the close of the fiscal year.

REPORTING CRITERIA FOR FIXED ASSETS

All furniture, equipment, and vehicles with a useful life of more than one (1) year and a purchase or acquisition cost of more than \$15,000 per item are required to be included and maintained in the State 's Fixed Asset Subsystem. Furthermore, all buildings and land are to be reported in the Fixed Asset Subsystem **at any value**. Building improvements and land improvements are to be reported if the cost is greater than \$100,000. Please refer to the Fixed Asset Accounting Manual for further information

Construction-work-in-progress will be reported as part of the GAAP package this year and will be entered on-line into the GMEN System. Refer to the GAAP Manual for instructions.

PHYSICAL INVENTORY

The Budget and Accounting Policy Manual requires that "A physical inventory of the property must be taken and the results reconciled with the property records at least every two years." Please submit the attached certification verifying such inventory was conducted and submit the certification form to Dave Walls in the Division of Accounting no later than July 30, 2003. Documentation to support that a physical inventory was performed must be made available for review by the auditors during the fiscal year 2003 financial audit.

The State has a significant investment in fixed assets. To improve financial reporting, accountability and operational efficiencies in managing these assets, we must continue to maintain accurate property inventory records. Your assistance is greatly appreciated.

Thank you for your cooperation. If you have any questions concerning the above, please contact Dave Walls at (302) 744-1040 or Linda Murabito at (302) 744-1079.

MEMORANDUM

TO: David C. Walls, CGFM
Division of Accounting

FROM: _____

DEPT: _____

SUBJECT: PROPERTY INVENTORY RECONCILIATION - FY 2003

I certify that a physical inventory has been performed and reconciled with the annual report of Fixed Assets over \$15,000 (F25F2705) and all purchases and acquisitions that were required to be reported during the past fiscal year have been added to the Fixed Asset Subsystem.

Signed: _____
Responsible official

Date: _____

This form is due in the Division of Accounting by **July 30, 2003**.
(FAX number 302-744-1045)